



Healthy Workforce, Healthy Economy

A health economics paper by WPI
Strategy, commissioned by Bupa

April 2026

Executive Summary

Every year, around 150 million¹ working days are lost to sickness absence. Rates are at a 15-year high and 50% higher than before the pandemic².

Productivity is too often impacted by people working while suffering with ill-health. Both challenges hold back Britain's potential, constraining the economic growth that small businesses and government are striving for.

Many employers already invest proactively in health and wellbeing, rather than count the cost of ill-health. Yet the precise economic benefits of better health through initiatives like employer-supported private medical insurance and provision remain under-researched.

This paper by WPI Strategy, commissioned by Bupa, seeks to fill that knowledge gap, and analyses the tangible impact for the workforce, small businesses, the economy and public services.

Our analysis finds that private medical insurance and provision currently provides a **£2.5 billion** boost to the UK's economic output every year, with faster diagnosis and treatment reducing absence, raising productivity and contributing to local and national growth.

£2.5bn

Private healthcare's boost to UK economic output each year



More days worked

£1.2bn

Annual Gross Value Added

More productivity

£1.3bn

Annual Gross Value Added

More for the NHS

£4.2bn

Annual NHS cost savings

Small business boosting growth

£14.7K

Extra annual GVA from one small business

1. GOV.UK, Employers join forces with government to tackle ill-health and keep Britain working, November 2025, Source: <https://www.gov.uk/government/news/employers-join-forces-with-government-to-tackle-ill-health-and-keep-britain-working>

2. CIPD, Health and wellbeing at work, September 2025, Source: <https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2025-pdfs/8920-Health-and-wellbeing-report-2025.pdf>



Britain is sliding into an avoidable crisis. Ill-health has become one of the biggest brakes on growth and opportunity. But this is not inevitable. Employers are uniquely placed to make a difference, preventing health issues where possible, supporting people when they arise, and helping them return to work. If we keep Britain working, everyone wins – people, employers, and the state.



**Sir Charlie Mayfield, Keep Britain Working Review,
5 November 2025**

The analysis examines the productivity gains from policyholders' **faster access** to diagnosis and treatment for health conditions. In many cases, prevention or early intervention can mean less severe or long-term care requirements, reducing both absenteeism and employees working with ill-health (presenteeism).

Absenteeism

Workplace absence due to sickness or ill-health.

By reducing absenteeism, private medical insurance and provision delivers extra healthy working days.

Presenteeism

Situations where individuals remain at work while suffering with ill-health, operating at reduced capacity.

By reducing presenteeism, private medical insurance and provision delivers higher productivity.

Taking appropriate time off when unwell is the right and necessary course of action and a healthy workforce is often supported by good working practices, such as supportive line management, and effective wellbeing policies. Clear signposting for staff to employer-provided private medical insurance and provision is one such important policy.

We can break down the effect of private medical insurance and provision by extra workdays gained from staff benefiting from faster treatment (reduced absenteeism), higher productivity measured in equivalent workdays gained from staff working while healthy where they otherwise would have worked while ill (reduced presenteeism) and the local economic boost measured as **Gross Value Added (GVA)**.

GVA measures output generated by workers and businesses (before taxes and subsidies). It is similar to gross domestic product (GDP) but is the better metric to show the direct impact of changes in labour input (such as additional days worked) and productivity.



The analysis evaluates the benefits of private medical insurance and provision across **three themes**: benefits in workdays gained and GVA generated by better tackling various **health conditions**, how these benefits support **small and medium sized businesses**, and the wider impact on **local economies and NHS health boards**.

The benefit of private medical insurance and provision across different health conditions

Tackling absenteeism

Our analysis finds that private medical insurance and provision **reduces workdays lost and generates the highest economic boost** for firms with employees facing musculoskeletal health conditions, headaches and migraines, and mental health conditions:

	Absenteeism in the UK workforce (per year)	
	Extra annual workdays	Economic boost (GVA)
Musculoskeletal	797,000	£255.4m
Headaches and migraines	588,000	£188.4m
Mental health	448,000	£143.7m
Respiratory	180,000	£57.8m
Gastrointestinal	113,000	£36.4m
Cardiology	105,000	£33.7m
Genito-urinary	77,000	£24.5m
Eye, ear, nose, mouth & dental	66,000	£21m
Other / PNTS / Minor	1.3m	£425.3m
Total	3.7m	£1.2bn



Nearly 2 million

people take time off work from musculoskeletal-related issues every year. For those with access to private medical insurance and provision, faster diagnosis and treatment times can see their sickness absence reduced by up to **one whole working week**, totalling a combined 797,000 workdays every year.

Tackling presenteeism

Meanwhile our analysis found private medical insurance and provision **provides particularly large productivity benefits** by treating members of staff who would **otherwise have worked while suffering from headaches and migraines**:

	Presenteeism in the UK workforce (per year)	
	Equivalent additional workdays gained from productivity increases	Economic boost (GVA)
Headaches and migraines	1.4m	£451.8m
Mental health	682,000	£218.1m
Musculoskeletal	649,000	£207.7m
Gastrointestinal	281,000	£90m
Respiratory	174,000	£55.6m
Cardiology	136,000	£43.5m
Genito-urinary	106,000	£33m
Eye, ear, nose, mouth & dental	80,000	£25.5m
Other / PNTS / Minor	479,000	£153.2m
Total	4m	£1.3bn

These benefits are already being felt and could be expanded further from greater employer investment in workforce health.



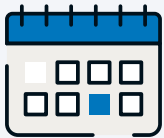
22%

of the UK workforce are less productive due to migraines and headaches. For those with access to private medical insurance and provision, faster diagnosis and treatment times can see productivity improved by the equivalent of **1.4 million healthy workdays** every year.

How small business owners benefit

Private medical insurance and provision is often associated with large employers, but it is potentially an even more critical lever for small and medium sized enterprises, where workforce productivity and retention are even more critical issues.

Our modelling finds that for the average small and medium sized business, faster access to treatment through private medical insurance and provision is associated with:



Extra workdays per year

22



Equivalent additional workdays gained from productivity increases per year

24



Total added economic boost per year (GVA)

£14.7K

If private medical insurance and provision reduced the average small business's employee absences by just one day a year due to earlier diagnosis or treatment, Britain's small businesses could generate more than **£2 billion more per year**. What's more, an average employer with five people all covered by healthcare policies could increase profits by up to 1%.

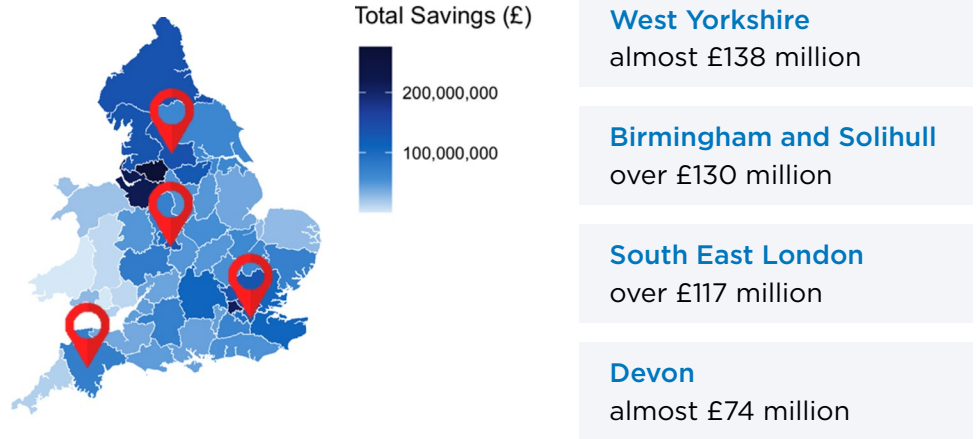


How the benefits boost local economies and NHS health boards

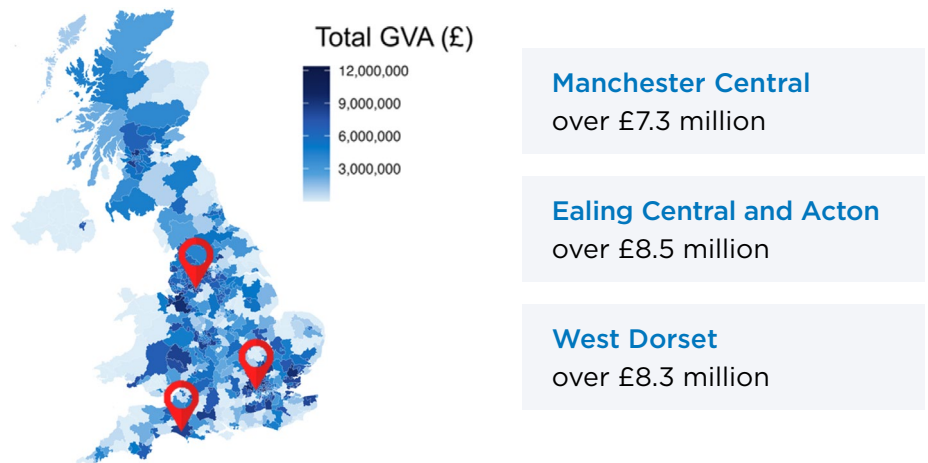
Private medical insurance and provision also reduces demand on local NHS services. The analysis estimates that **this saves the NHS £4.2bn and is equivalent to nearly 100 days of GP appointments or 15 million A&E visits per year.**

The analysis also examines how economic benefits from private medical insurance and provision vary by area, using anonymised policyholder and population health data.

This map shows how much these example NHS health boards in England and Wales save every year due to existing private medical insurance and provision reducing demand.



This map shows the local economic boost (in GVA) delivered by private medical insurance and provision every year in three example constituencies.



Our analysis quantifies the true scale of the benefits provided by private medical insurance and provision for the UK economy, small businesses, and the workforce.

By reducing the number of days individuals need to take off and increasing productivity, private medical insurance and provision boosts the average small business by **£14,700 a year**, the UK economy by **£2.5bn a year**, and as a result saves the NHS **£4.2bn a year** in reduced costs. A healthy workforce is vital to a healthy economy.



[bupa.co.uk](https://www.bupa.co.uk)

